

**STATE ALLOCATION BOARD**

1130 K Street, Suite 400  
Sacramento, CA 95814  
<http://www.dgs.ca.gov/opsc>



**Date:** May 21, 2004

**To:** Interested Parties

**Subject:** **NOTICE OF THE STATE ALLOCATION BOARD  
IMPLEMENTATION COMMITTEE MEETING**

Notice is hereby provided that the State Allocation Board Implementation Committee will hold a meeting on Friday, June 4, 2004 (9:30 am - 3:30 pm) at 1500 Capitol Avenue (East End Complex) in Conference Rooms 72.149B and 72.151A (Sacramento, CA).

The Implementation Committee's proposed agenda is as follows:

1. Convene Meeting
2. Critically Overcrowded Schools Program  
*Discussion of alternatives for final COS Program eligibility requirements for existing projects.*
3. School Facility Program Modernization (SB 15 Alpert and AB 1244 Chu)  
*Discussion of proposed regulatory amendments to permit an additional apportionment for the modernization of permanent facilities every 25 years or portable facilities every 20 years.*
4. 50 Year Old Modernization  
*Discussion of proposed amendments to Regulation Section 1859.78.6 which provides additional funding for the modernization of permanent buildings at least 50 years old. The amendments would address changes in the way the grant is calculated and applied.*

Any interested person may present public testimony or comments at this meeting regarding the issues scheduled for discussion. Any public input regarding unscheduled issues should be presented in writing, which may then be scheduled for a future meeting. For additional information, please contact Christine Sanchez at (916) 322-0328.

A handwritten signature in black ink, appearing to read "Bruce B. Hancock", with a long horizontal flourish extending to the right.

BRUCE B. HANCOCK  
Chairperson

BBH:LM:cs

---

**STATE ALLOCATION BOARD**

1130 K Street, Suite 400

Sacramento, CA 95814

<http://www.dgs.ca.gov/opsc>



State Allocation Board  
IMPLEMENTATION COMMITTEE  
**PENDING ITEMS LIST**

June 4, 2004

**A. FUTURE ITEMS**

- Increased Capacity for Replaced Facilities; SFP Regulation Section 1859.73.2
- SFP Enrollment Augmentation; Dwelling Units
- Conversion of Commercial Buildings into Schools
- Transferring Special Education Programs
- Project Rescission

**B. SUSPENDED ITEMS**

- None

State Allocation Board  
Implementation Committee  
June 4, 2004

CRITICALLY OVERCROWDED SCHOOL FACILITIES PROGRAM

BACKGROUND

At the April 28, 2004 State Allocation Board (SAB) meeting, the Board requested that staff examine district concerns with the Critically Overcrowded School (COS) Facilities Program and the requirement that, in order for the projects to be converted to a School Facility Program (SFP) final apportionment, the district have sufficient SFP new construction eligibility to justify the project at the time of conversion. The Board requested that staff examine feasible alternatives to address these district concerns and report back at a future meeting.

PROGRAM SUMMARY

Assembly Bill 16, Statutes of 2002, established the COS program in order to relieve overcrowding in qualifying school districts. Through the COS program, districts have the ability to secure a reservation of funds prior to having all of the necessary State agencies approvals. The program is designed to set these funds aside for qualified districts so funding is secured while the districts proceed with the prolonged site selection, hazardous clean-up and subsequent agency approval process typically necessary for schools in critically overcrowded areas. Qualified districts then have four to five years to meet all requirements of the SFP; this includes receiving all State approvals needed for a complete funding application for new construction. When the project converts to its final apportionment, the district must still have SFP eligibility to support the new construction application. This requirement was discussed and agreed upon by the conference committee and legislature as a term for the approval of the creation of the COS program.

Additionally, when districts apply for the COS program, at least 75 percent of the pupils in the project must be from one or more overcrowded schools located nearby. The regulations provide that in order for the project to be converted to a SFP final apportionment, the district must have enough SFP new construction eligibility to justify at least 75 percent of the pupils in the project. In circumstances when the district's SFP eligibility has decreased to less than 75 percent, the district may use any SFP eligibility justified. The final apportionment application would need to reflect the appropriate number of pupils as justified in the district's SFP eligibility.

DISCUSSION

The purpose of this item is to facilitate meaningful discussion and solicit feasible suggestions to address concerns regarding this program. The primary district concern raised is that a district with COS projects will be unable to submit a final apportionment request that meets all current SFP new construction requirements at that time, due to either a decrease in eligibility or bussing of pupils from one high school attendance area to another.

The Office of Public School Construction recognizes the need to provide relief for pupils at critically overcrowded schools through the construction of additional classrooms and/or schools. Staff welcomes this discussion to provide an equitable solution to the concerns that have been raised. Staff, with the assistance of the Committee, will look at the potential obstacles to the program and ways to overcome them considering the original intent of legislation for the COS program.

## POSSIBLE OPTIONS

Options have been suggested for alternate methods of re-justifying eligibility for the COS program at the time of conversion, such as:

1. Modify the un-housed pupil eligibility justification, at the time of conversion, for the pupils requested in the project. Possibilities may include:
  - Basing the un-housed pupil eligibility for the COS project on the current year enrollment data, rather than the standard 5-year projection; or,
  - Limiting the number of years forecasted to a 3 year projection; or,
  - Changing the number of previous years being included in the projection; or,
  - Using residence data for school district enrolled pupils within the general location area.
2. Establish a “needs” justification criterion for certain time periods. If projected SFP eligibility significantly decreases, in essence create an SFP eligibility lock for the first two years with a supplemental justification system. The criterion could include a verification progression similar to the following: If the project converted prior to the second annual reporting date, conduct a re-justification of the Source School Qualifying Pupil (QP) eligibility served by the project and verify these pupils are “un-housed” through confirmation the Source School(s) operate on a multitrack year-round educational program. If a district converts a project after the two years following the Preliminary Apportionment utilize the current criteria; re-check the SFP new construction projected enrollment but not the Source School QP eligibility.
3. Not require SFP new construction eligibility at the time of conversion.
4. Leave the program as is; maintain established eligibility calculations and COS conversion criteria pursuant to existing Education Code.

## RECOMMENDATION

To be developed with the assistance of the Committee.

# EDUCATION CODE

## SECTION 17078.10-17078.30

17078.10. (a) There is hereby established the Critically Overcrowded School Facilities Program to be administered by the board.

(b) For the purposes of this article, "preliminary application" means an application for a preliminary apportionment pursuant to this article.

(c) For the purposes of this article, "preliminary apportionment" means an apportionment made for eligible applicants with critically overcrowded schools in advance of full compliance with all of the application requirements otherwise required for an apportionment pursuant to this chapter.

(d) For the purposes of this article, "final apportionment" has the same meaning as "apportionment" as set forth in subdivision (a) of Section 17070.15.

(e) There is hereby established the 2002 Critically Overcrowded School Facilities Account within the 2002 State School Facilities Fund, and the 2004 Critically Overcrowded School Facilities Account within the 2004 State School Facilities Fund, for the purposes of this article. Funds reserved for the purposes of this article shall be placed in those accounts, as appropriate, and shall be available exclusively for projects eligible under this article until the funds are made available for other purposes of this chapter pursuant to Section 17078.30.

17078.15. (a) Unless this article expressly provides otherwise, the provisions contained in the other articles of this chapter shall apply with equal force to a project funded under this article. This article shall control over the provisions of this chapter contained in other articles only to the extent that this article expressly conflicts with those provisions.

(b) This article shall apply only to a project that is otherwise eligible under this chapter and that meets both of the following criteria:

(1) The project meets the criteria set forth in Section 17078.18.

(2) The project is to be funded from the proceeds of state bonds approved by the voters at the November 5, 2002, statewide general election, or the 2004 direct primary election or the 2004 statewide general election, as the case may be, that were expressly reserved in the bond act or acts for the purposes set forth in this article.

(c) The state share of project costs and the state per-unhoused-pupil new construction apportionments for programs eligible under this article shall be equal to the share and amounts otherwise provided by the board pursuant to this chapter, including, but not limited to, any applicable adjustments or supplements otherwise authorized pursuant to this chapter.

(d) A school district that elects to utilize per-unhoused-pupil eligibility pursuant to this chapter to support a project pursuant to this article, shall not simultaneously utilize that same eligibility to support any other application pursuant to this chapter.

17078.18. Projects funded under this article shall meet all of the following criteria:

(a) The project is a new construction project to build new pupil capacity to relieve overcrowding.

(b) The proposed school facility shall be located in the proposed general location, as set forth in Section 17078.22, of the school or schools that have the conditions and pupils that establish the eligibility pursuant to this article as set forth in subdivision (c).

(c) At least 75 percent of the projected pupil occupancy of the project facilities shall come from a source school or source schools that have a site pupil population density greater than 115 pupils per acre in grades kindergarten to six, inclusive, or a site pupil population density greater than 90 pupils per acre in grades seven to 12, inclusive, as determined by the Superintendent of Public Instruction using enrollment data from the California Basic Educational Data System for the 2001-02 school year. For source schools with grades that include a combination of kindergarten to six, inclusive, and seven to 12, inclusive, the controlling source schoolsite pupil population density shall be the one applicable to the grade levels in which the majority of the pupils are enrolled at the source school.

17078.20. (a) The board shall disseminate information to school districts regarding the availability of funding pursuant to this article and the appropriate deadlines for applications.

(b) Applicants for funding pursuant to this article shall submit preliminary applications to the board.

(c) The preliminary applications shall be submitted by May 1, 2003, for projects to be funded with the proceeds of bonds approved by the voters at the November 5, 2002, statewide general election.

(d) Preliminary applications shall be accepted by the board during the period between 60 days before and 120 days after, the 2004 direct primary election, or the 2004 statewide general election, as appropriate for projects to be funded with the proceeds of bonds approved by the voters at the 2004 direct primary election, or the 2004 statewide general election, as appropriate.

(e) If funds are insufficient to fully fund all of the preliminary applicants, the board shall apportion first to those projects that would house pupils from source schools with the highest pupil density levels relative to the State Department of Education standards.

17078.22. (a) The preliminary applications shall do all of the following:

(1) Establish per-unhoused-pupil eligibility as set forth in Article 3 (commencing with Section 17071.75).

(2) Identify the unhoused pupil population that the proposed project will serve by determining the number of pupils to be served and the likely source school or schools from which the pupils population will be drawn.

(3) Identify the proposed general location of the needed new facilities pursuant to any of the following:

(A) Within that portion of the attendance area from which one or more elementary schools that would be a source of the per-pupil eligibility for the proposed facility draws its enrollment, or within a one-mile radius of a source school, or within a one-mile radius of any one of the source schools if there are more than one, whichever is greater.

(B) Within the attendance area of a high school, middle school, or junior high school that would be a source of the per-pupil eligibility for the proposed facility or within a three-mile radius of a source school, or within a three-mile radius of any one of the source schools if there are more than one, whichever is greater.

(4) Estimate the total facility cost on a per-pupil basis and estimate the total site acquisition and development costs pursuant to the regulations adopted pursuant to subdivision (c) of Section 17078.24.

(b) The State Department of Education may grant a variance from the distance maximums set forth in paragraph (3) of subdivision (a) if the school district demonstrates to the satisfaction of the department that the variance is necessary in order to adequately provide facilities for the identified source school pupils.

17078.24. (a) On the basis of the preliminary application and upon confirmation by the board of the applicant's eligibility, the board shall in a timely manner make a preliminary apportionment for applicants under this article exclusively from funds reserved expressly for the purposes of this article.

(b) Preliminary apportionments for site development and acquisition included in the preliminary application pursuant to subdivision (a) of Section 17078.22 shall be based either on the preliminary appraisal, if available, or on the median costs of appropriately sized parcels within the qualifying area, as determined by the board.

(c) Preliminary apportionments shall include the total estimated state costs of the project, including, but not limited to, site acquisition and development costs related to evaluations and elimination of hazardous materials, an inflation factor, any applicable excess cost allowances, and hardship costs, if any. The board shall adopt regulations establishing standards and methods for setting these costs and for making related estimates.

17078.25. (a) Within the maximum time period set forth in Section 17078.30, the applicant shall have a period of up to four years from the date of the preliminary apportionment in which to complete the application for final apportionment.

(b) The applicant may request a single one-year extension of the period set forth in subdivision (a). The board shall grant the request for the single one-year extension if it determines that the applicant has made substantial progress towards completing the requirements for filing an application for final apportionment. The board may grant only one one-year extension for the project and may only grant the extension if granting the extension would not, in total, cause the project to exceed the maximum time period set forth in Section 17078.30.

(c) The board shall adopt regulations setting forth standards for determining the existence of substantial progress within the meaning of subdivision (b).

(d) The governing board of a school district shall report annually to the State Allocation Board regarding the progress made toward completing the requirements for filing an application for final apportionment, and shall annually hold, at a regularly scheduled meeting of the governing board, a public hearing pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of

Division 2 of Title 5 of the Government Code) to discuss, and to receive public comment regarding, the report.

(e) In its first annual report the governing board of the school district shall certify that the State Department of Education has determined in writing that there is at least one approvable site within the proposed general location of the proposed facility identified pursuant to paragraph (3) of subdivision (a) of Section 17078.22, or within the variance location authorized pursuant to subdivision (b) of Section 17078.22.

(f) If the applicant for the one-year extension pursuant to subdivision (b) has not made substantial progress to complete the application process within the allotted time period, the preliminary apportionment shall be rescinded and shall be utilized by the board for funding of other projects that have received a preliminary apportionment pursuant to this article, or at the expiration of the maximum time allowed pursuant to Section 17078.30, the board shall use the funds for any other new construction purpose of this chapter.

17078.27. (a) Upon completion of the preliminary process authorized pursuant to this article, and when a preliminary applicant has complied with the conditions set forth in this chapter for a final apportionment, including, but not limited to, Section 17070.50, the board shall adjust the preliminary apportionment as set forth in subdivision (b) and as necessary to reflect the current eligible grant amounts for final apportionments pursuant to this chapter consistent with regulations adopted pursuant to subdivision (c) of Section 17078.24. The board shall then convert the adjusted preliminary apportionment to a final apportionment and proceed to completion of the project in the same manner as for any project funded under provisions of this chapter other than this article.

(b) The board may adjust for cost increases only if uncommitted funds reserved expressly for the purposes of this article remain available for those purposes.

17078.30. (a) (1) A portion of the funds reserved for the purposes set forth in this article from the proceeds of state bonds approved by the voters at the November 5, 2002, statewide general election that are not included in a preliminary apportionment for an application that is received by the deadline specified in subdivision (c) of Section 17078.20 shall thereafter be available to the board for apportionment for any new construction purpose under any other article of this chapter.

(2) The amount of funds that shall be made available to the board for purposes other than this article, pursuant to this subdivision, shall be calculated as follows:

(A) Add the total amount preliminarily apportioned to 15 percent of that amount.

(B) Take the number calculated pursuant to subparagraph (A) and subtract that number from the amount originally reserved for the purposes of this article.

(C) The number calculated pursuant to subparagraph (B) shall thereafter be available to the board for any new construction purpose under any other article of this chapter.

(3) All funds reserved for the purposes set forth in this article from the proceeds of state bonds approved by the voters at the November 5, 2002, statewide general election pursuant to a preliminary apportionment that are not included within a final



apportionment within the timeframes permitted by Section 17078.25 shall thereafter be available to the board for apportionment for any new construction purpose under any other article of this chapter.

(b) (1) A portion of the funds reserved for the purposes set forth in this article from the proceeds of state bonds approved by the voters at the 2004 direct primary election, or the 2004 statewide general election, as appropriate, that are not included in a preliminary apportionment for an application that is received by the deadline specified in subdivision (d) of Section 17078.20 shall thereafter be available to the board for apportionment for any new construction purpose under any other article of this chapter.

(2) The amount of funds that shall be made available to the board for purposes other than this article, pursuant to this subdivision, shall be calculated as follows:

(A) Add the total amount preliminarily apportioned to 15 percent of that amount.

(B) Take the number calculated pursuant to subparagraph (A) and subtract that number from the amount originally reserved for the purposes of this article.

(C) The number calculated pursuant to subparagraph (B) shall thereafter be available to the board for any new construction purpose under any other article of this chapter.

(3) All funds reserved for the purposes set forth in this article from the proceeds of state bonds approved by the voters at the 2004 direct primary election, or the 2004 statewide general election, as appropriate, pursuant to a preliminary apportionment that are not included within a final apportionment within the timeframes permitted by Section 17078.25 shall thereafter be available to the board for apportionment for any new construction purpose under any other article of this chapter.

---

STATE ALLOCATION BOARD  
IMPLEMENTATION COMMITTEE  
June 4, 2004

SCHOOL FACILITY PROGRAM MODERNIZATION

BACKGROUND

Assembly Bill (AB) 1244, Chapter 572, Statutes 2003 and Senate Bill (SB) 15, Chapter 587, Statutes of 2003, enables districts to receive an additional apportionment for the modernization of permanent school buildings every 25 years, or portable classrooms every 20 years, after the date of the previous State apportionment. For a portable classroom that is eligible for a second modernization, the bill requires the school district to use the modernization funds to replace the portable classroom and to certify that the existing portable classroom will be removed from any classroom use. An exception is provided for school districts that are able to document that modernizing the portable classroom is a better use of public resources. The replacement of the portable classroom(s) will not affect the capacity and eligibility of the school district and may not be adjusted.

DISCUSSION

This item is continued from the April 1, 2004 Implementation Committee meeting. Staff presented proposed changes to the School Facility Program (SFP) modernization regulations, the *Eligibility Determination Form* (SAB 50-03) and the *Application for Funding* (SAB 50-04) to incorporate the provisions set forth in the bills. Staff also presented changes to the regulations to incorporate minor clarifications to the regulatory text. However, Committee members and participants requested staff to return with:

- Minor regulatory changes
- Expansion of acceptable means to document the modernization of portables
- Further examples that illustrate second round modernization and eligibility determination

For purposes of discussion, staff has prepared the following:

- √ Proposed regulatory changes as shown on Attachment A.
- √ Draft form changes to Form SAB 50-03 and Form SAB 50-04 as shown on Attachment B.
- √ Samples of eligibility adjustments as shown on Attachments C1 – C3.
- √ A copy of the law text as shown on Attachment D.

*“A Better Use of Public Resources”*

At the previous Implementation Committee meeting, participants suggested various ways to substantiate the modernization of a portable classroom rather than its replacement. One suggestion was to consider utilizing a self certification in lieu of the submission of documentation. This method, however, does not conform to the requirement under the law that a district must be able to document that modernizing the portable is a better use of public resources.

Staff recognizes the uniqueness of all districts and has therefore, expanded acceptable documentation to include suggestions made at the previous meeting. The new proposal thus allows districts to choose from a variety of methods that include, but are not limited to:

- A cost benefit analysis prepared by a licensed design professional.
- A narrative that provides the rationale to substantiate the modernization of the portable classroom(s) rather its replacement, which could include copies of maintenance records, photos, etc.
- A copy of the school board minutes that indicates that the board and community have discussed and agreed that modernization of portable classrooms eligible for an additional apportionment pursuant to Regulation Section 1859.78.8 would be a better use of public resources.
- Other evidence satisfactory to the State Allocation Board (SAB).

The guidelines for acceptable documentation will be included in both the “SFP Application Submittal Guidelines” and “SFP Guidebook” located on the OPSC Web site.

#### *Modernization Eligibility Determination*

Based on comments received by audience members and further research by staff, examples (see Attachments C1 – C3) were developed to illustrate several points pertaining to AB 1244 and SB 15. The examples will detail how to accommodate for Lease Purchase Program projects previously modernized and show how core facilities and classrooms come of age at different points in time.

Additionally, the examples will highlight the necessity to switch options for the purpose of incorporating non-classroom space to gain modernization eligibility. Without this mechanism for change, districts that originally selected Option A would not be able to receive additional apportionments as provided by AB 1244 and SB 15.

Finally, the examples will show that districts will not receive a funding advantage if they switched options regardless if they had submitted a funding application. Each option is capped, either by classroom capacity or by pupils, thus a school site can not gain more eligibility than they would otherwise be eligible for. In other words, regardless of the number of times that a district switches options, in no event will the district’s baseline eligibility exceed the enrollment at the site. Therefore, the OPSC is proposing that districts be given the opportunity to eligibility switch options, at any time as appropriate.

#### RECOMMENDATION

Proceed with the regulatory changes for presentation to the SAB.

## Attachment A

Amend Section 1859.2. Definitions.

...

“Approved Application(s)” means a district has submitted the application and all documents to the Office of Public School Construction that are required to be submitted with the application as identified in the General Information Section of Forms SAB 50-01, *Enrollment Certification/Projection*, (Revised 01/03); SAB 50-02, *Existing School Building Capacity*, (Revised 09/02); SAB 50-03, *Eligibility Determination*, (Revised 04/03~~4~~); and SAB 50-04, *Application for Funding*, (Revised 06/03~~4~~), as appropriate, and the Office of Public School Construction has completed and accepted a preliminary approval review pursuant to Education Code Section 17072.25(a).

...

“Form SAB 50-04” means the *Application For Funding*, Form SAB 50-04 (Revised 06/03~~4~~), which is incorporated by reference.

...

“Modernization Grant” means the funding provided pursuant to Education Code Section 17074.10(a) and Sections 1859.78, 1859.78.3, ~~and 1859.78.6, and 1859.78.8~~

Note: Authority cited: Sections 17070.35 and 17078.64, Education Code.

Reference: Sections 17009.5, 17017.6, 17017.7, 17021, 17047, 17050, 17051, 17070.15, 17070.51(a), 17070.71, 17070.77, 17071.10, 17071.25, 17071.30, 17071.33, 17071.35, 17071.40, 17071.76, 17072.10, 17072.12, 17072.18, 17072.33, 17073.25, 17074.10, 17075.10, 17075.15, 17077.40, 17077.42, 17077.45, 17078.52, 17078.56, 17280, and 56026, Education Code. Section 53311, Government Code.

Amend Section 1859.32. Adjustments to Gross Classroom Inventory.

After the gross classroom inventory has been prepared pursuant to Section 1859.31, it will be reduced by the following. Any classrooms:

- (a) abandoned and approved for replacement as a hardship under the provisions of the LPP;
- (b) at a school operated on a year-round schedule that has been used continuously for at least 50 percent of the time for preschool programs in the five years preceding the receipt of the application for determination of eligibility;
- (c) included in any new construction LPP project that has not received a Phase C apportionment;
- (d) that is portable and owned or leased by the district for 20 years or more that was approved for abandonment in a LPP project and the plans for the project had DSA approval prior to November 4, 1998;
- (e) that is a trailer and is transported/towed on its own wheels and axles;
- (f) used exclusively for regional occupational centers, regional occupational programs, child care, preschool and/or Adult Education Programs, and was built or acquired with funds specifically available for those purposes;
- (g) of less than 700 interior square feet;
- (h) originally built for instructional use, but converted to one of the following:
  - (1) used continuously for school administration for at least five years prior to the submittal of the application to the OPSC for determination of eligibility.
  - (2) used continuously for central or main district administration for at least five years prior to the submittal of the application to the OPSC for determination of eligibility.
  - (3) used for school library purposes during the previous school year.
- (i) owned but leased to another district.
- (j) any portable classroom excluded by Education Code Section 17071.30
- (k) that is permanent space and leased for less than five years for a cumulative duration of five years or less.
- (l) any permanent classroom contained in a project for which the construction contract was signed between August 27, 1998 and November 18, 1998 and for which the district did not have full project eligibility under the LPP.
- (m) that was acquired with joint-use funds specifically available for that purpose.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17052, 17071.25, 17071.30 and 17077.40, Education Code.

Amend Section 1859.51. Adjustments to the New Construction Baseline Eligibility.

The baseline eligibility for new construction determined on the Form SAB 50-03, will be adjusted as follows:

- (a) Reduced by the number of pupils provided grants in a new construction SFP project and by the number of pupils that received a Preliminary Apportionment pursuant to Section 1859.140 or a Preliminary Charter School Apportionment pursuant to Section 1859.160.
- (b) Reduced by the number of pupils housed, based on the loading standards pursuant to Education Code Section 17071.25(a)(2)(A), in a new construction LPP project funded under the provisions of the LPP pursuant to Sections 1859.12 or 1859.13.
- (c) Reduced by the number of pupils housed in additional classrooms constructed or purchased based on the loading standards, pursuant to Education Code Section 17071.25(a)(2)(A), in a modernization SFP project.
- (d) Adjusted as a result of the audit findings made pursuant to Sections 1859.90 and 1859.105.
- (e) Increased/decreased by changes in projected enrollment in subsequent enrollment reporting years for all districts except decreases as provided in (j) below.
- (f) Adjusted as a result of errors or omissions by the district or by the OPSC.
- (g) Adjusted as a result of amendments to these Regulations that affect the eligibility.
- (h) Increased by the number of pupils eligible for grants pursuant to Section 1859.82 (a).
- (i) Reduced by the number of pupils housed, based on loading standards pursuant to Education Code Section 17071.25(a)(2)(A), in any classroom provided after the baseline eligibility was determined by the Board with the exception of those pupils housed or to be housed in a classroom:
  - (1) That is a trailer and transportable/towed on its own wheels and axles.
  - (2) Of less than 700 interior square feet.
  - (3) Excluded pursuant to Education Code Section 17071.30(a).
  - (4) Where the contract for the lease, lease-purchase, purchase, or construction of the classroom was made prior to January 1, 2000
  - (5) Where the classroom was leased for a cumulative duration of five years or less.
  - (6) Where the contract for the lease, lease-purchase, purchase, or construction was made no more than 180 days before the Approved Application date for funding of the classrooms included in the contract.
  - (7) That is included in a SFP project where the district has funded a portion of the project beyond its required district contribution and the pupil capacity of the classroom does not exceed 150 percent of the number of pupils receiving a new construction grant (rounded up) for the SFP project.
  - (8) That was acquired with joint-use funds specifically available for that purpose.
- (j) For small school districts, decreased:
  - (1) By any reduction in projected enrollment beginning in the enrollment-reporting year that follows a three year period beginning when the district's baseline eligibility was determined by the Board. The reduction shall be determined by any decrease between the current projected enrollment and the projected enrollment used when the district's baseline eligibility was determined by the Board pursuant to Section 1859.50 or adjusted by a subsequent operational grant report after that date.
  - (2) By any increase in the number of pupils included in the latest operational grant report made by the CDE pursuant to Education Code Section 42268 beginning three years after the district's baseline eligibility was determined by the Board pursuant to Section 1859.50. The reduction in eligibility shall be determined by the number of pupils included in the latest operational grant report that exceed the number of pupils included in the operational grant report in effect when the district's baseline eligibility was determined by the Board pursuant to Section 1859.50 or adjusted by a subsequent operational grant report after that date.
- (k) Adjusted for any change in classroom inventory as a result of a reorganization election.
- (j) For classroom loading standards adopted by the Board for non-severely disabled individuals with exceptional needs and severely disabled individuals with exceptional needs.
- (m) As directed by the Board due to a finding of a Material Inaccuracy pursuant to Regulation Section 1859.104.1.
- (n) Increased by the number of pupils that received a Preliminary Apportionment that was rescinded pursuant to Section 1859.148 or a Preliminary Charter School Apportionment that was rescinded pursuant to Section 1859.166.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17052, 17070.51, 17071.25, 17071.75, 17071.76, 17072.20 and 17077.40, Education Code.

## Article 7. Modernization Eligibility Determination

### Amend Section 1859.60. Calculation to Determine Modernization Baseline Eligibility.

The district shall calculate its modernization eligibility for each school site with the by completion of the Form SAB 50-03. The eligibility determination may be made by either identifying all classrooms on the site pursuant to (a) or by the identification of all square footage on the site pursuant to (b), as follows:

- (a) Identify all classrooms at the school site that would have been included in the Gross Classroom Inventory pursuant to Section 1859.31 that are:
  - (1) Permanent and at least 25 years old ~~and not previously modernized with State funds.~~
  - (2) Portable and at least 20 years old ~~and not previously modernized with State funds.~~
  - (3) The remaining classrooms not reported in (1) or (2) above.
- (b) Identify all square footage at the school site that is:
  - (1) Permanent area and at least 25 years old ~~and not previously modernized with State funds.~~
  - (2) Portable classroom area and at least 20 years old ~~and not previously modernized with State funds.~~
  - (3) The remaining square footage on the site not reported in (1) or (2) above.

~~The age of the classroom or square footage shall be based on the date the district submitted the application for an eligibility determination to the OPSC. begin 12 months after the plans for the building were approved by the DSA; or in the case permanent or portable classrooms that were previously modernized with State funds, the 25/20 year period shall begin on the date of its previous modernization apportionment.~~ For the purpose of identifying square footage at a school site, include the total enclosed exterior square footage of the school buildings. For multilevel buildings, include the square footage at each level.

Enrollment at the school shall be the latest CBEDS report for K-6, 7-8 and 9-12 pupils. If the school is closed at the time of application for eligibility determination for modernization, and the district intends to reopen it and use it as a school for at least the next five years, the enrollment may be estimated based on district demographic data.

The calculated eligibility determined on the Form SAB 50-03, shall be referred to as the modernization baseline eligibility for the specific school site.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17073.15, 17073.20 and 17074.10, Education Code.

### Amend Section 1859.61. Adjustments to the Modernization Baseline Eligibility.

The baseline eligibility for modernization as provided in Section 1859.60 for a specific site will be adjusted as follows:

- (a) Reduced by the number of pupils provided grants in a modernization SFP project at the specific site.
- (b) Reduced by the number of pupils housed, based on the loading standards pursuant to Education Code Section 17071.25(a)(2), in a modernization LPP project funded under the LPP pursuant to Sections 1859.14 and 1859.15.
- (c) Increased by changes in projected enrollment in subsequent enrollment reporting years.
- (d) Increased for additional facilities not previously modernized with State funds, that become 25 years old, if permanent, or 20 years old, if portable or as a result of audit findings made pursuant to Sections and 1859.90 1859.105.
- (e) Adjusted as a result of errors or omissions by the district or by the OPSC.
- (f) Adjusted as a result of amendments to these Subgroup 5.5 Regulations that affect the eligibility.
- (g) For classroom loading standards adopted by the Board for non-severely disabled individuals with exceptional needs and severely disabled individuals with exceptional needs.
- (h) As directed by the Board due to a finding of a Material Inaccuracy pursuant to Regulation Section 1859.104.1.
- (i) Increased for facilities previously modernized with State funds, which qualify for an additional modernization apportionment pursuant to Section 1859.78.8.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17070.51, 17071.25, 17072.15, ~~and~~ 17072.20, 17073.15, and 17074.10 Education Code.

**Amend Section 1859.78.6. Modernization Grant for 50 Year or Older Permanent Buildings.**

- (a) In lieu of the funding provided by Subdivision (a) of Education Code Section 17074.10 and Section 1859.78.3, the Board shall provide the amounts shown below for each pupil housed in permanent school buildings that are 50 years or older as follows:
- (1) \$3,120 for each elementary pupil.
  - (2) \$3,300 for each middle school pupil.
  - (3) \$4,320 for each high school pupil.
  - (4) \$9,944 for each pupil that is a Severely Disabled Individual with Exceptional Needs.
  - (5) \$6,650 for each pupil that is a Non-Severely Disabled Individual with Exceptional Needs.
- (b) If the application includes the modernization of permanent buildings both over and under 50 years old, the number of pupils housed in 50 years or older permanent buildings, for purposes of (a) above, shall be determined by either of the following, at the district's option:
- (1) A percentage of permanent classrooms in the application that are 50 years or older to the total classrooms in the application determined as follows:
    - (A) Calculate the total number of classroom(s) to be modernized as part of the project that were included in the Gross Classroom Inventory pursuant to Section 1859.31 and were not previously modernized under the LPP, the SFP or with Proposition 1A funds.
    - (B) Calculate the total number of permanent classrooms to be modernized as part of the project that are at least 50 years old.
    - (C) Divide the classrooms calculated in (b)(1)(B) by the total classrooms calculated in (b)(1)(A). Round up to the nearest one tenth of one percent.
    - (D) Multiply the percentage determined in (b)(1)(C) by the number of pupils assigned to the project on Form SAB 50-04, for each grade group. Round up.
  - (2) A percentage of the permanent building area Square Footage in the application that is 50 years or older to the total Square Footage in the application determined as follows:
    - (A) Calculate the total Square Footage building area to be modernized as part of the project that was included in the Gross Classroom Inventory pursuant to Section 1859.31 and was not previously modernized under the LPP, the SFP or with Proposition 1A funds.
    - (B) Calculate the total permanent Square Footage of building area to be modernized as apart of the project that is at least 50 years old.
    - (C) Divide the Square Footage of building area calculated in (b)(2)(B) by the total Square Footage of building area calculated in (b)(2)(A). Round up to the nearest one tenth of one percent.
    - (D) Multiply the percentage determined in (b)(2)(C) by the number of pupils assigned to the project on Form SAB 50-04, for each grade group. Round up.

The amounts shown shall be adjusted annually in the manner prescribed in Section 1859.78. The grant is eligible for any modernization grant augmentation for which the project is otherwise eligible under the law and regulations.

For purposes of determining the age of the building, the 20 year, 25 year and the 50 year period shall begin 12 months after the original plans for the construction of the building were approved by the DSA or in the case of permanent or portable classrooms previously modernized with State funds, the 25/20 year period shall begin on the date of its previous modernization apportionment.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Section 17074.26, Education Code.

**Adopt Section 1859.78.8. Modernization Grant for Facilities Previously Modernized with State Funds.**

The Board shall provide an additional apportionment provided by Education Code 17074.10(a) and Section 1859.78.3, for facilities previously modernized with State funds as follows:

- (a) An additional apportionment will be provided for the modernization of a permanent school building every 25 years following the date of its previous State modernization apportionment.
- (b) In the case of portable classrooms, an additional apportionment will be permitted every 20 years after the date of its previous state modernization apportionment provided the modernization funds will be used to replace the portable classroom(s) and the school district must certify that the portable classrooms will be removed from any classroom use unless acceptable documentation is provided by the district indicating that the modernization of the portable classrooms is a better use of public resources.

If the previous SFP modernization apportionment includes both permanent and portable facilities, the number of pupil grants that will be added to the site's baseline eligibility shall be determined by the percentage of permanent or portable facilities identified on the Form SAB 50-03 that generated the initial eligibility.

The capacity and eligibility of the school district will not be adjusted for the replacement of the portable classroom pursuant to Education Section 17074.10(f) and 17073.15.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17074.10, and 17073.15 Education Code.

#### Amend Section 1859.79.2. Use of Modernization Grant Funds.

The Modernization Grant plus any other funds provided by these Regulations shall be expended as set forth in Education Code Sections 17074.25, 17074.10(f) and 17070.15(f) and may also be utilized for other purposes as set forth in Education Code Section 100420 (c). Modernization funding may also be used for the costs incurred by the district directly or through a contract with a third party provider for the initiation and enforcement of a LCP.

Modernization funding, with the exception of savings, is limited to expenditure on the specific site where the modernization grant eligibility was generated. The grant may not be used for the following:

- (a) New building area with the exception of the following:
  - (1) Replacement building area of like kind. Additional classrooms constructed within the replacement area will reduce the new construction baseline eligibility for the district.
  - (2) Building area required by the federal American with Disabilities Act (ADA) or by the Division of the State Architect's (DSA) handicapped access requirements.
- (b) New site development items with the exception of:
  - (1) Replacement, repair or additions to existing site development.
  - (2) Site development items required by the federal ADA Act or by the DSA's handicapped access requirements.
- (c) the evaluation and removal of hazardous or solid waste and/or hazardous substances when the Department of Toxic Substance Control has determined that the site contains dangerous levels of a hazardous substance, hazardous waste, or both that exceed ten percent of the combined adjusted grant and the district matching share for the project.
- (d) Leased facilities not owned by another district or a county superintendent.

~~Modernization Grant funds shall be expended as set forth in Education Code Section 17074.25 and may also be utilized for other purposes as set forth in Education Code Section 100420(c).~~

Modernization Grant funds may be used on any school facilities on the site, with the exception of portable classroom facilities eligible for an additional apportionment pursuant to Education Code Sections 17073.15 and 17074.10(f) and as defined in Section 1859.78.8. If the classroom facilities on the site include areas that are currently ineligible for modernization, it will not disqualify those facilities from future modernization funding.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17070.15, 17074.25 and 100420(c), Education Code.



## **Attachment B**

Please refer to Forms SAB 50-03 and 50-04 emailed separately in PDF format.

# ATTACHMENT C-1

## EXAMPLE 1

SCHOOL NAME:

Anytown High School

	<i>Year #1</i>	<i>Year #2</i>	<i>Year #3</i>	<i>Year #22</i>	<i>Year #27</i>
OPTION A	K-6	K-6	K-6	K-6	K-6
2. Permanent classrooms at least 25 years old	0	30	30	30	30
3. Portable classrooms at least 20 years old	0	0	0	0	0
4. Total (lines 2 and 3)	0	30	30	30	30
5. Multiply line 4 by: 25 for K-6, 27 for 7-8 and 9-12; 13 for non-severe and 9 for severe	0	810	810	810	810
6. CBEDS enrollment at school	900	900	900	900	900
7. Modernization eligibility (lesser of totals of line 5 or 6)	0	810	810	810	810

## OPTION B

	K-6	K-6	K-6	K-6	K-6
2. Permanent classrooms at least 25 years old (report by classroom or square footage)	0	28,800	33,000	33,000	33,000
3. Portable space at least 20 years old (report by classroom or square footage)	2,000	2,000	2,000	2,000	2,000
4. total (lines 2 and 3)	2,000	30,800	35,000	35,000	35,000
5. Remaining permanent and portable space (report by classroom or square footage)	33,000	4,200	0	0	0
6. total (lines 4 and 5)	35,000	35,000	35,000	35,000	35,000
7. Percentage (divide line by Line 6)	6%	88%	100%	100%	100%
8. CBEDS enrollment at school site	900	900	900	900	900
9. Modernization eligibility (multiply line 7 by each grade group on line 8)	52	792	900	900	900

## RESULTING ELIGIBILITY CHANGES:

Current Eligibility . . . . .	0	52	310	400	450
Eligibility Adjustment . . . . .	+52	+758	+90	+0	+0
Net Eligibility . . . . .	52	810	400	400	450
Project . . . . .		-500		+50	+450
Remaining Eligibility . . . . .	52	310	400	450	900

ATTACHMENT C-2

EXAMPLE 2

SCHOOL NAME:

Anytown High School

	<i>Year #1</i>	<i>Year #2</i>	<i>Year #3</i>	<i>Year #27</i>
OPTION A	K-6	K-6	K-6	K-6
2. Permanent classrooms at least 25 years old	25	35	40	40
3. Portable classrooms at least 20 years old	0	0	0	0
4. Total (lines 2 and 3)	25	35	40	40
5. Multiply line 4 by: 25 for K-6, 27 for 7-8 and 9-12; 13 for non-severe and 9 for severe	625	875	1000	1000
6. CBEDS enrollment at school	900	900	900	900
7. Modernization eligibility (lesser of totals of line 5 or 6)	625	875	900	900

OPTION B

	K-6	K-6	K-6	K-6
2. Permanent classrooms at least 25 years old (report by classroom or square footage)	24000	33600	44000	44000
3. Portable space at least 20 years old (report by classroom or square footage)	0	0	0	0
4. total (lines 2 and 3)	24000	33600	44000	44000
5. Remaining permanent and portable space (report by classroom or square footage)	20000	10400	0	0
6. total (lines 4 and 5)	44000	44000	44000	44000
7. Percentage (divide line by Line 6)	55%	76%	100%	100%
8. CBEDS enrollment at school site	900	900	900	900
9. Modernization eligibility (multiply line 7 by each grade group on line 8)	491	688	900	900

RESULTING ELIGIBILITY CHANGES:

Current Eligibility . . . . .	0	625	0	25
Eligibility Adjustment . . . . .	+625	+250	+25	0
Net Eligibility . . . . .	625	875	25	25
Project . . . . .		-875		+875
Remaining Eligibility . . . . .	625	0	25	900

### ATTACHMENT C-3

A district's baseline eligibility is 125 (K-6) pupils. The pupil grants were generated by three permanent classrooms and two portable classrooms, as identified on the Form SAB 50-03. The district filed a modernization funding application for a site using 100 (K-6) pupil grants in 2000. The modernization project calls for the installation of a new HVAC system to be installed. How many pupils will be returned to the site's baseline eligibility? When will the pupils be added back?

#### Classrooms on Site:

	3	Permanent CR
+	2	Portable CR
	<hr/>	
	5	Total CR

#### Portable Classrooms:

$$2 \div 5 = .40\%$$

$$.40\% \times 100 \text{ pupil grants} = 40 \text{ pupil grants will be added back in } \mathbf{20 \text{ years}}$$

#### Permanent Classrooms:

$$3 \div 5 = .60\%$$

$$.60\% \times 100 \text{ pupil grants} = 60 \text{ pupil grants will be added back in } \mathbf{25 \text{ years}}$$

## **Attachment D**

### **Assembly Bill No. 1244**

#### **CHAPTER 572**

An act to amend Sections 17073.15, 17073.20, and 17074.10 of the Education Code, relating to school facilities.

[Approved by Governor September 28, 2003. Filed  
with Secretary of State September 29, 2003.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 1244, Chu. School facilities funding: modernization.

Existing law, the Leroy F. Greene School Facilities Act of 1998, requires the State Allocation Board to allocate to applicant school districts, prescribed per-unhoused-pupil state funding for construction and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition.

Existing law makes eligible for state funding a permanent school building that is more than 25 years old, or a portable classroom that is at least 20 years old, and that prior to November 4, 1998, had not been previously modernized with state funding.

This bill would delete the eligibility requirement that a school building not have been previously modernized with state funding and would allow an additional apportionment to be made for the modernization of permanent school buildings every 25 years following the date of the previous apportionment and, in the case of portable classrooms, every 20 years after the date of the previous apportionment. The bill would require the board to require a school district to use the modernization funds it receives for a portable classroom that is eligible for a second modernization to replace the portable classroom and to certify that the existing eligible portable classroom will be removed from any classroom use unless the district is able to document that modernizing the portable classroom is a better use of public resources. The bill would prohibit the capacity and eligibility of the school district from being adjusted for replacing the portable classroom.

*The people of the State of California do enact as follows:*

SECTION 1. Section 17073.15 of the Education Code is amended to read:

17073.15. A school district is eligible to receive an apportionment for the modernization of a permanent school building that is more than 25 years old or a portable classroom that is at least 20 years old. A school

district is eligible to receive an additional apportionment for the modernization of a permanent school building every 25 years after the date of the previous apportionment or a portable classroom every 20 years after the date of the previous apportionment.

SEC. 2. Section 17073.20 of the Education Code is amended to read:

17073.20. Funding may be approved for the modernization of any permanent school building that is more than 25 years old, or, any portable classroom that is more than 20 years old, as described in Section 17071.30.

SEC. 3. Section 17074.10 of the Education Code is amended to read:

17074.10. (a) The board shall determine the total funding eligibility of a school district for modernization funding by multiplying the following amounts by each pupil of that grade level housed in permanent school buildings that satisfy the requirements of Section 17073.15:

(1) Two thousand two hundred forty-six dollars (\$2,246) for each elementary pupil.

(2) Two thousand three hundred seventy-six dollars (\$2,376) for each middle school pupil.

(3) Three thousand one hundred ten dollars (\$3,110) for each high school pupil.

(b) The board shall annually adjust the factors set forth in subdivision (a) according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the board.

(c) The board may adopt regulations to be effective until July 1, 2000, that adjust the amounts identified in this section for qualifying individuals with exceptional needs, as defined in Section 56026. The regulations shall be amended after July 1, 2000, in consideration of the recommendations provided pursuant to Section 17072.15.

(d) It is the intent of the Legislature that the amounts provided pursuant to this article for school modernization not include funding for administrative and overhead costs.

(e) For a school district having an enrollment of 2,500 or less for the prior fiscal year, the board may approve a supplemental apportionment of up to two thousand five hundred dollars (\$2,500) for any modernization project assistance. The amount of the supplemental apportionment shall be adjusted in 2001 and every year thereafter by an amount equal to the percentage adjustment for class B construction.

(f) For a portable classroom that is eligible for a second modernization, the board shall require the school district to use the modernization funds to replace the portable classroom and to certify that

the existing eligible portable classroom will be removed from any classroom use unless a district is able to document that modernizing the portable classroom is a better use of public resources. The capacity and eligibility of the school district may not be adjusted for replacing a portable classroom pursuant to this subdivision and Section 17073.15.

Note: SB 15, Chapter 587, Statutes of 2003, Section 1, 2 and 3 read the same as above in AB 1244.

STATE ALLOCATION BOARD  
IMPLEMENTATION COMMITTEE  
June 4, 2004

50 YEAR OLD MODERNIZATION FUNDING

ISSUE

Regulatory amendments are needed to clarify the appropriate classroom/square footage data that districts should report on the *Application for Funding* to determine the 50 year old modernization grants.

BACKGROUND

Education Code 17074.26 was enacted to provide additional funding for permanent buildings that are at least 50 years old based upon the higher costs associated with modernizing older buildings. Section 1859.78.6 of the School Facility Program (SFP) regulations provides the means in which the 50 year old grants are determined, which is based on the ratio of the total number of eligible school buildings in a given project.

DISCUSSION

The State Allocation Board (SAB) began the actual funding of 50 year old modernization grants in March 2003. As staff began to receive an increasing number of requests for this type of funding, it became apparent that several districts were misinterpreting the appropriate classroom/square footage project data to report on the *Application for Funding*. As a result, staff reviewed the current regulations and has determined that amendments are necessary to provide clarity. Staff's recommendations do not modify the grant determination methodology.

The current regulations, including the *Application for Funding*, require the completion of the number of classrooms/square footage (total and at least 50 year old) to be modernized as part of the project and application. Districts have interpreted this to mean reporting data based on the work shown in the construction plans that accompany the funding application rather than the eligible modernization project at the site. This misinterpretation is problematic because after the SFP modernization eligibility is determined for the of-age buildings on a specific site, districts are afforded the flexibility to use their eligibility "bank" for work on any building on the site, regardless of its age. This practice has been in place since the SFP's inception, and staff continues to support this practice.

Clarification to the form and regulation is required so districts can report the appropriate data to determine the eligible site-based ratio for permanent buildings at least 50 years old. Accordingly, staff proposes to take the regulatory amendments as shown on Attachments A and B.

*Use of Modernization Grants for 50 Year or Older Permanent Buildings*

Once the percentage ratio as described above is determined, that ratio is applied to the district's most current modernization eligibility determination on Form SAB 50-03 (determined by either the classroom count or square footage).

$$\text{Current Modernization Pupil Grants} \times \% \text{ of 50 Year Old Eligibility} = \text{\# of 50 Year Old Pupil Grants}$$

The product represents the maximum number of modernization pupil grants for 50 year or older permanent buildings assigned to the school site and is merely a "subset" of the site's eligibility. In other words, the number of "50 year old pupil grants" is *not* added to the site's modernization baseline eligibility.



*Use of Modernization Grants for 50 Year or Older Permanent Buildings* (cont.)

Districts have the option of requesting the number of “50 year old pupil grants” as it deems appropriate on its funding application(s) provided that at no time shall the cumulative total number, provided for all funding applications for a given site under Section 1859.78.6(a), exceed the number of eligible “50 year old pupil grants” established by the ratio as shown above.

RECOMMENDATION

Present to the SAB the proposed regulation amendments as shown on Attachments A and B.

## ATTACHMENT A

### Section 1859.78.6. Modernization Grant for 50 Year or Older Permanent Buildings.

- (a) In lieu of the funding provided by Subdivision (a) of Education Code Section 17074.10 and Section 1859.78.3, the Board shall provide the amounts shown below for each pupil housed in permanent school buildings that are 50 years or older as follows:
  - (1) \$3,120 for each elementary pupil.
  - (2) \$3,300 for each middle school pupil.
  - (3) \$4,320 for each high school pupil.
  - (4) \$9,944 for each pupil that is a Severely Disabled Individual with Exceptional Needs.
  - (5) \$6,650 for each pupil that is a Non-Severely Disabled Individual with Exceptional Needs.
- (b) If the ~~application~~ school site includes the modernization of permanent buildings both over and under 50 years old, the number of pupils housed in 50 years or older permanent buildings, for purposes of (a) above, shall be determined by either of the following, at the district's option:
  - (1) A percentage of permanent classrooms ~~in the application~~ that are 50 years or older to the total number of classrooms eligible for Modernization at the site in the application determined as follows:
    - (A) Calculate the total number of classrooms ~~(s) to be modernized as part of the project~~ eligible for Modernization at the site that were included in the Gross Classroom Inventory pursuant to Section 1859.31 ~~and were not previously modernized under the LPP, the SFP or with Proposition 1A funds.~~
    - (B) Calculate the total number of permanent classrooms ~~to be modernized as part of the project~~ that are at least 50 years old and were not previously modernized with state funds.
    - (C) Divide the classrooms calculated in (b)(1)(B) by the total classrooms calculated in (b)(1)(A). Round up to the nearest one tenth of one percent.
    - (D) Multiply the percentage determined in (b)(1)(C) by the total ~~number of pupils assigned to the project~~ modernization eligibility as determined in Option A or B on the Form SAB 50-04 50-03, for each grade group. Round up ~~or~~.
  - (2) A percentage of the permanent building area Square Footage ~~in the application~~ that is 50 years or older to the total Square Footage eligible for Modernization at the site in the application determined as follows:
    - (A) Calculate the total Square Footage building area eligible for Modernization at the site to be modernized as part of the project that ~~was included in the Gross Classroom Inventory pursuant to Section 1859.31 and was not previously modernized under the LPP, the SFP or with Proposition 1A funds.~~
    - (B) Calculate the total permanent Square Footage of building area ~~to be modernized as a part of the project~~ that is at least 50 years old and was not previously modernized with state funds.
    - (C) Divide the Square Footage of building area calculated in (b)(2)(B) by the total Square Footage of building area calculated in (b)(2)(A). Round up to the nearest one tenth of one percent.
    - (D) Multiply the percentage determined in (b)(2)(C) by the ~~number of pupils assigned to the project~~ total modernization eligibility as determined in Option A or B on the Form SAB 50-04 50-03, for each grade group. Round up.

The amounts shown shall be adjusted annually in the manner prescribed in Section 1859.78. The grant is eligible for any modernization grant augmentation for which the project is otherwise eligible under the law and regulations.

For purposes of determining the age of the building, the 20 year, 25 year and the 50 year period shall begin 12 months after the original plans for the construction of the building were approved by the DSA.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Section 17074.26, Education Code.

## ATTACHMENT B

### Excerpt from *Application for Funding*, Form SAB 50-04 – Proposed Revisions

...

#### **SPECIFIC INSTRUCTIONS**

The district must assign a Project Tracking Number (PTN) to this project. The same PTN is used by the OPSC, the DSA and the CDE for all project applications submitted to those agencies to track a particular project through the entire state application review process. If the district has already assigned a PTN to this project by prior submittal of the P&S to either the DSA or the CDE for approval, use that PTN for this application submittal. If no PTN has been previously assigned for this project, a PTN may be obtained from the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov) "PT Number Generator."

1. Check the appropriate box that indicates the type of School Facility Program (SFP) grant the district is requesting for purposes of new construction, modernization, a separate design and/or site apportionment, site apportionment as an environmental hardship or New Construction (Final Apportionment). If the application is for modernization of a California School for the Deaf or Blind, the CDE shall check the box identified as Modernization of California Schools for the Deaf/Blind. If the request is for a separate design apportionment, the CDE shall check the appropriate box. If the eligibility for this project was established as a result of the need for new or replacement facilities pursuant to Section 1859.82 (a) and (b), or rehabilitation pursuant to Section 1859.83 (e), check the appropriate box.

If this request is for an addition to an existing site and advance funding for the evaluation and RA costs, check the appropriate box and refer to Section 1859.74.4.

If this request is to convert a Preliminary Apportionment or a Preliminary Charter School Apportionment to a Final Apportionment, check the New Construction (Final Apportionment or Final Charter School Apportionment) box.

If the district is requesting a separate site and/or design apportionment, complete boxes 2a, 3, 4, the site acquisition data in box 5 (d and e), and boxes 12, 13, 14, 15 and 18 only.

2. a. Select the type of project that best represents this application request and enter the number of pupils assigned to the project for each grade group. Include pupils to be housed in a new or replacement school authorized by Section 1859.82 (a). The amount entered cannot exceed the district's baseline eligibility determined on Form SAB 50-03 and will be the basis for the amount of the new construction or modernization grants provided for the project.

If this request is for a Final Apportionment, the pupils assigned to the project must be at least 75 percent, but not more than 100 percent, of the pupils that received the Preliminary Apportionment. Refer to Section 1859.147.

- b. Check the box if the project is eligible for funding for 50 year or older permanent buildings and report, at the option of the district:
  - The total number of eligible classrooms or the total eligible square footage building area ~~to be modernized as part of the project at the site~~. Refer to Section 1859.78.6(b)(1)(A) or (b)(2)(A).
  - The total number of permanent classrooms or the total permanent square footage building area ~~to be modernized as part of the project~~ that is at least 50 years old and not been previously modernized with state funds. Refer to Section 1859.78.6(b)(1)(B) or (b)(2)(B).
  - Enter the greater percentage as calculated under Regulation Section 1859.78.6(b)(1)(C) or Regulation Section 1859.78.6(b)(2)(C).

- Enter the number of 50 year or older permanent buildings pupil grants assigned to the project for each grade group. The number of pupils entered cannot exceed the cumulative number of 50 year or older permanent buildings pupil grants requested for all modernization funding applications for the site as determined by using the percentage factor above.
- c. Indicate if this request is for funding of a 6–8 school.
- d. Check the box(es) if the district requests and the project qualifies for additional funding for fire code requirements authorized in Sections 1859.71.2 or 1859.78.4.
- e. Check the applicable box if the district is requesting additional pupil grants assigned to the project that exceed the capacity of the project or if the pupils assigned represent eligibility determined at another grade level and check the appropriate box to indicate under which regulation the district is applying. The pupil capacity of the project may be determined by multiplying the classrooms reported in box 3 by 25 for K-6; 27 for 7-8, 9-12 grades; 13 for non-severe and 9 for severe.
- f. If the request is for replacement facilities pursuant to Section 1859.82 (a) or (b) on the same site, check the facility hardship box.

....

#### Excerpt from Page 4 of Form SAB 50-04

### **2. Type of Project**

- a.      Elementary School              Middle School              High School

Pupils Assigned:

K–6 \_\_\_\_\_ 7–8 \_\_\_\_\_ 9–12 \_\_\_\_\_

Non-Severe \_\_\_\_\_ Severe \_\_\_\_\_

- b.      50 Years or Older Building Funding (Modernization Only)

o Total Eligible Classrooms/Square Footage \_\_\_\_\_

o Classroom/Square Footage at Least 50 Years Old \_\_\_\_\_

o Ratio of 50 Year Old Classrooms/Square Footage \_\_\_\_\_ %

50 Year or Older Permanent Buildings Pupil Grants Assigned:

K–6 \_\_\_\_\_ 7–8 \_\_\_\_\_ 9–12 \_\_\_\_\_

Non-Severe \_\_\_\_\_ Severe \_\_\_\_\_